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Information – Assistance to Organizations

Technical assistance and publicity material may be obtained from the Ministry of Transportation and Communications to assist employers, commuter associations or individuals in establishing vanpool operations.

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An Innovative Approach to Commuting



Ministry of
Transportation and
Communications

Ministry
of
Energy



1980

VANPOOLING



The Concept

Ten to twelve people living in the same neighbourhood, or along a commuting route, ride together to and from work in the comfort of a luxury passenger van. Each rider, except the driver, pays a low monthly fare which covers all operating and capital costs and makes the operation self-supporting. Payment of the fare guarantees the passenger a seat in the van every working day. The vanpool operates on a schedule, usually provides door-to-door service, and is driven by a member of the pool.

Vans are owned or leased by an employer, a commuter association, a third party agency or an individual.

Today more than 200,000 people across North America are enjoying this innovative type of first-class travel, permitting commuters to escape the headaches of driving in heavy traffic and bad weather. Best of all, they save hundreds of dollars and thousands of litres of gasoline per year!

Community Benefits

Energy Savings

Vanpooling is a significant energy conservation measure. By replacing as many as 12 cars, each van can save as much as 35,000 litres of gasoline per year (assuming the average round trip of vanpoolers is 80 km).

Better Utilization of Road Space

Expansion of road facilities in response to increasing traffic congestion is both expensive and environmentally undesirable. Each vanpool takes as many as 12 cars off the roads; thus hundreds of vanpools would take thousands of cars out of rush-hour traffic. This would significantly reduce rush-hour congestion and associated problems, and hopefully, reduce the need to expand road facilities which would result in significant savings in government expenditures, and hence, the taxes we pay.

Reduce Pollution

By having one van replace as many as 12 cars, the annual amount of pollutants emitted into the air can be decreased by 3,000 kg.



Personal Benefits

People join and stay with vanpooling for two main reasons:

1. Comfort and Convenience:

- a guaranteed seat every day;
- release from the stress and tension of driving;
- convenience of door-to-door service;
- safety and reliability of service;
- comfort of a luxury ride (carpeting, air conditioning);

- freedom to read, work, or just relax and enjoy the company of fellow vanpoolers.

2. Savings:

- significant savings over the cost of operating their own cars;
- reduced wear and tear on their cars;
- possible elimination of the need for a second car;
- reduced insurance rates;
- for the driver, a free trip to work and the use of the van during non-working hours.

Typical Commuting Expenses

Vanpooling versus Driving Alone

Daily Round Trip	Weekly Cost of Driving Alone*	Typical Weekly Vanpool Fare**
20 km	\$ 5.90	\$ 6.60
40 km	11.70	7.90
60 km	17.60	9.20
80 km	23.40	10.50
100 km	29.50	11.80
120 km	35.20	13.10
160 km	46.90	15.70

*Includes only gas and maintenance costs of operating a standard size car.

**Based on 10 paying passengers; includes capital and operating costs.

Long distance commuters have the most to gain from vanpooling. For example, a commuter who daily makes an 80 km round trip will spend \$13/week for gasoline alone (assuming 12.0 L/100 km at 28¢/L). The cost of oil changes, maintenance and tire replacement increase this cost to \$23/week.

This amount does not include the cost of financing the car, depreciation, insurance or annual registration. For one-way trips longer than 40 km, vanpooling is cheaper than a two-person carpool. And when comfort and convenience are considered, vanpooling is an attractive alternative to large carpools.

The largest saving for vanpoolers can come from selling or avoiding the purchase of a second car. No longer having to own and insure a second car, one could save at least \$1000 per year. The table below shows the typical cost of owning a car.

Annual Fixed Cost of Owning a Car

	\$3,000	\$8,000
	Car	Car
Depreciation (20%)	\$ 600	\$1,600
Interest Payments (13%)	390	1,140
Insurance	200	300
Registration	45	60
Total Yearly Costs	\$1,235	\$3,100

Organizing Vanpools

There are four basic types of Vanpools, defined according to the supplier of the van. The relative advantages and disadvantages of each operation will depend on individual circumstances.

Private: The van is supplied by one member of the pool who operates it as a business venture. Today, many private vanpools are operating in Ontario.

Commuter Association: The van is jointly owned/leased and operated by pool members as a cooperative venture. Successful employee commuter associations have been operating in the Sarnia area since the mid-Sixties.

Employer Sponsored: The van is supplied by the employer of a commuting group who charges weekly or monthly fares to recover capital and operating costs. Companies such as Chrysler Canada, 3M Canada and Bell Canada, among others, who pioneered employer sponsored vanpools in Ontario have realized substantial benefits from reduced parking demands, improved productivity through better employee relations and reduced absenteeism, and an improved corporate image.

Third Party: The van is supplied by a vanpool agency with the option to return it, without penalty, should the pool fail. Several organizations now offer third party vanpool services in Ontario.

Legal Issues

Motor Carrier Regulations: Vanpool vehicles do not require special licensing provided the following conditions prevail:

- seating capacity is 12 or less;
- passengers pay for their transportation no more often than on a weekly basis;
- a driver makes only one round trip per day;
- only one vanpool vehicle is operated by the owner or lessee.

Employer-sponsored vanpools are exempt from the last restriction if the majority of vanpoolers are company employees.

Vehicle Registration: A passenger van with 10 or more seats is registered as a commercial motor vehicle and classified as a bus (body type).

Driver Licensing: A Class F licence is required for drivers of vehicles with 10 to 24 seats. The licence requirements include a written and driving test, an eye test and a medical examination.

Insurance: Vanpool insurance should be available for between \$425 and \$600 based on \$1 million 3rd-party liability, standard accident benefits (no fault), collision (\$250 deductible) and comprehensive (\$50 deductible) coverage. The standard Auto Endorsement (SEF 6A), "Permission to carry passengers for compensation endorsement" is essential. Some companies will be less willing to write a policy than others because of their limited experience in insuring vanpools in Ontario.